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Mr. William F. Caton

Acting Secretary

Federal Communications Commission  
Office of Secretary

1919 M Street, N.W.

Washington, D.C. 20554

Re: *In the Matter of Southwestern Bell Telephone Company's Comparably  
Efficient Interconnection Plan for the Provision of Basic Payphone  
Service, CC Docket No. 96-128*

Dear Mr. Caton:

On December 30, 1996, Southwestern Bell Telephone Company (SWBT) submitted a Comparably Efficient Interconnection (CEI) Plan for the provision of Basic Payphone Service. SWBT's CEI Plan for Basic Payphone Service complies with all relevant statutory and regulatory requirements and should be approved by the Common Carrier Bureau expeditiously.

In an on-going effort to keep the Commission's staff fully informed with respect to Southwestern Bell's compliance with the *Payphone Orders*,<sup>1</sup> SWBT provides the following information to clarify limited aspects of its CEI Plan and associated filings.

*Network Demarcation Point.* With respect to the location of the demarcation point, SWBT will comply fully with the *Payphone Orders*, which require that carriers treat independent payphone providers in a non-discriminatory manner.<sup>2</sup> In addition, in conformance with the *Payphone Orders*, SWBT will be consistent

<sup>1</sup> *In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Report and Order, FCC 96-388 (released Sept. 20, 1996) (*Payphone Order*); *In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Order on Reconsideration, FCC 96-439 (released Nov. 8, 1996) (*Payphone Reconsideration Order*). Together, these documents may be referred to herein as the "Payphone Orders."

<sup>2</sup> See *Payphone Order* at para. 151.

with the minimum point-of-entry demarcation point standards for all wireline services.<sup>3</sup>

*Timing of Call Set-Up.* “Timing of call set-up” refers to the amount of time the network takes to complete the connection of a call after all of the necessary digits of a called telephone number are entered into the telephone set. SWBT’s network does not differentiate between payphone service providers (PSPs) when handling call set-up. In other words, there will not be any difference in the timing of call set-up between an unaffiliated PSP and SWBT’s affiliated payphone service operations, regardless of the type of basic payphone service used by the payphone service provider.

*Directory Assistance Call Rating.* In its Reply Comments, SWBT stated that it “will [] allow PSPs to set their own rates for sent-paid Directory Assistance (DA) in compliance with the Commission’s requirement that states must allow PSPs to charge end-users a market-based rate for DA calls.” This statement was based on paragraph 62 of the *Payphone Order*, which states that “we must ensure fair compensation for ‘411’ and other directory assistance calls from payphones by permitting the PSP to charge a market-based rate for this service . . . .”<sup>4</sup> SWBT interpreted this sentence to mean that the States were required to allow PSPs to set their own rates for sent-paid directory assistance calls. Thus, SWBT’s call rating system will provide all PSPs with the capability to establish distinct rates for directory assistance calls.

*Inmate Telephone Service.* Section 276 of the Telecommunications Act of 1996 specifically includes the provision of inmate telephone service within the definition of “payphone service.”<sup>5</sup> In addition, the *Payphone Reconsideration Order* confirms that the non-structural safeguards, including the filing of CEI plans, apply to inmate payphones.<sup>6</sup> SWBT’s CEI Plan for Basic Payphone Services expressly states that “the term ‘payphone service’ as used in this Plan means the provision of basic telephone service for the provision of public pay telephones, the provision of inmate service in correctional institutions, and any ancillary services . . . .”<sup>7</sup> In

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<sup>3</sup> See *id.* at para. 167; see also 47 C.F.R. § 63.8.

<sup>4</sup> In the *Payphone Reconsideration Order*, the Commission states that it has the jurisdiction to impose market-based rates for intrastate directory assistance calls from payphones. *Payphone Reconsideration Order* at para. 59.

<sup>5</sup> 47 U.S.C. § 276(d).

<sup>6</sup> *Payphone Reconsideration Order* at para. 219.

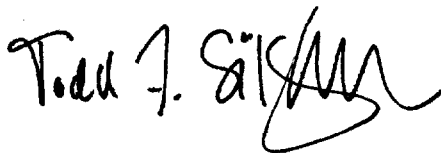
<sup>7</sup> Southwestern Bell Telephone Company’s CEI Plan for the Provision of Basic Payphone Service at 4 n.7.

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providing inmate telephone service, SWBT's pay telephone operations will purchase from SWBT the same tariffed services at the same rates as all unaffiliated inmate calling service providers.<sup>8</sup>

Should you have any questions concerning the foregoing, do not hesitate to contact the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Todd J. Silberman". The signature is fluid and cursive, with a large, stylized "S" at the end.

cc: Mr. Metzger  
Ms. Richards  
Mr. Gallant  
Ms. Franco  
Mr. Welch  
Ms. Stevens  
Ms. Carey

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<sup>8</sup> See SWBT Reply Comments at 16.